

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE:

**SOUTHWESTERN MATTRESS
SALES, INC.,**

Debtor.

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CASE NO. 24-10652

Chapter 11 (Subchapter V)

**FIRST INTERIM ORDER GRANTING DEBTOR'S MOTION FOR INTERIM
AUTHORITY TO USE CASH COLLATERAL AND GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)¹ of the above-captioned debtor and debtor-in-possession (the “**Debtor**”) for the entry of an order (this “**Interim Order**”) authorizing the interim use of Cash Collateral; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

the Court having found that it may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances for the interim relief requested; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties-in-interest; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtor is authorized to use Cash Collateral in which any alleged secured creditors may have an interest, in accordance with the Budget attached to this Interim Order as **Exhibit 1**.
3. Any creditor with an alleged security interest in the Debtor's Cash Collateral as of the Petition Date is granted a Replacement Lien pursuant to section 361(2) of the Bankruptcy Code, solely to the extent the Cash Collateral is used, in all cash or cash collateral the Debtor acquires or generates after the Petition Date, but solely to the same extent and priority as existed pre-petition and subject to a determination by the Court that any applicable creditor held a valid, fully perfected, enforceable, pre-petition lien on Cash Collateral as of the Petition Date (such creditors holding a valid, fully perfected, and enforceable pre-petition lien on Cash Collateral, the "Secured Creditors").

4. The Replacement Liens will not attach to Bankruptcy Code Chapter 5 causes of action of the Debtor or the proceeds of the recovery upon such actions.

5. The Replacement Liens will not apply to any reduction in cash value caused from the payment of an expense that is later surcharged against any creditor's collateral based on Bankruptcy Code section 506(c).

6. Subject to the limiting conditions on the Replacement Liens, the Replacement Liens shall be binding upon any subsequently appointed Chapter 11 or Chapter 7 trustee.

7. The Debtor is authorized: (i) to exceed any line item on the Budget by an amount equal to ten percent (10%) of each such line item; or (ii) to exceed any line item by more than ten percent (10%) so long as the total of all amounts in excess of all line items for the Budget do not exceed ten percent (10%) in the aggregate of the total Budget.

8. The Debtor may not amend or modify the terms and conditions of its use of the Cash Collateral, or amend, modify, roll-forward, or replace the Budget absent further order of this Court.

9. The Secured Creditors are hereby granted an administrative claim with a priority equivalent to a claim under Bankruptcy Code sections 503(b), and 507(b), on a dollar-for-dollar basis for and solely to the extent of any diminution in value of the Cash Collateral, which administrative claim shall, among other things, have priority over all other costs and expenses, except for reasonable compensation of the Debtor's professionals approved by order of the Court.

10. This Interim Order is not and shall not be construed as determinative as to whether or not any Secured Creditor has a valid lien on any property of the Debtor or its estate and is not and shall not be construed as determinative as to the extent, priority, or amount of any secured claim associated with such lien.

11. This Interim Order is without prejudice to the Debtor or any other party's right to challenge the extent, validity, or priority of any lien or claim of any alleged Secured Creditor, and it is likewise without prejudice to the right of any such Secured Creditor to seek additional adequate protection or other relief concerning cash collateral by subsequent motion or relief from the automatic stay.

12. The Debtor shall not pledge, grant, or permit a security interest superior to that of Secured Creditors in any pre-petition collateral or the collateral subject to the security interests or liens granted herein, unless ordered by the Court.

13. Any provisions in any final order on the use of Cash Collateral shall not affect any of the interim protections afforded to the Secured Creditors in this Interim Order.

14. Except as expressly amended hereby, this Interim Order shall not affect any of the loan documents between the Debtor and any Secured Creditor, which loan documents shall remain in full force and effect.

15. The parties reserve all rights that may be available to them under the Bankruptcy Code, the laws of any state and equity. Nothing herein shall be construed to constitute a waiver or release of any right, whether known or unknown.

16. The protections provided herein to the Secured Creditors are hereby deemed, on an interim basis, to constitute adequate protection of such Secured Creditors' interests in the Cash Collateral.

17. Any amendment, modification, supplement or waiver of any provision in this Interim Order shall be in writing and must be approved by the Court on appropriate notice by the Debtor.

18. The authorization for use of Cash Collateral under this Interim Order shall be in effect from and after June 12, 2024 subject to being renewed or extended by order of the Court after notice and hearing.

19. The relief granted in this Interim Order is without prejudice to the rights of parties in interest at a final hearing.

20. A final hearing on this matter shall be held on _____, 2024 at _____ prevailing Central time. The deadline to object to the entry of a Final Order on the Motion is _____, 2024. The Debtor shall submit a proposed Final Order and proposed final budget, under a notice of coversheet by _____, 2024.

21. The Debtor shall serve this Interim Order on all parties required under Bankruptcy Rule 4001(d)(1)(C) and file a certificate of service with the Court.

22. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

END OF ORDER

Prepared and submitted by:

/s/ Jason Binford

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**PROPOSED COUNSEL FOR DEBTOR
AND DEBTOR IN POSSESSION**

EXHIBIT 1

BUDGET

Southwest Mattress Sales, Inc. dba Factory Mattress

13 Week Cash Flow Forecast

13 Week Cash Flow Week	Forecast 1	Forecast 2	Forecast 3	Forecast 4	Forecast 5	Forecast 6	Forecast 7	Forecast 8	Forecast 9	Forecast 10	Forecast 11	Forecast 12	Forecast 13	
Week Ending	06/07/24	06/14/24	06/21/24	06/28/24	07/05/24	07/12/24	07/19/24	07/26/24	08/02/24	08/09/24	08/16/24	08/23/24	08/30/24	Total
Beginning Cash	\$ 642,660	\$ 447,934	\$ 667,897	\$ 538,359	\$ 598,939	\$ 553,306	\$ 801,383	\$ 866,987	\$ 837,979	\$ 226,161	\$ 86,288	\$ 133,182	\$ 92,362	\$ 642,660
Plus:														
Cash Receipts from Operations	39,244	229,963	337,193	497,392	440,831	302,205	322,999	320,226	193,344	203,387	194,599	246,074	418,074	3,745,532
Total Cash Receipts	39,244	229,963	337,193	497,392	440,831	302,205	322,999	320,226	193,344	203,387	194,599	246,074	418,074	3,745,532
Less:														
Payroll (Payroll tax included)	-	-	140,812	-	110,812	-	110,812	-	110,812	-	110,812	-	110,812	694,872
503(b)9 Vendor Payments	78,080	-	87,247	47,245	-	2,092	97,046	87,587	140,577	56,367	-	-	-	596,241
Rent	14,179	-	-	-	267,875	-	-	-	267,875	-	-	-	267,875	817,803
Operating Expenses	1,387	-	16,256	16,256	8,879	8,879	8,879	8,879	6,179	6,179	6,179	6,179	6,179	100,311
Advertising	96,578	-	159,000	4,500	33,015	4,500	4,500	4,500	104,068	4,500	4,500	4,500	4,500	428,661
Store Operating Costs (COGS)	1,705	-	53,415	53,415	28,657	28,657	28,657	28,657	18,715	18,715	18,715	18,715	18,715	316,738
Legal Other	800	-	-	-	940	-	-	-	940	-	-	-	-	2,680
Employee Benefits	80	-	-	-	19,237	-	-	-	19,237	-	-	-	-	38,554
Customer Refund	132	-	-	-	3,059	-	-	-	3,059	-	-	-	-	6,250
1099 Delivery	-	10,000	10,000	10,000	10,000	10,000	7,500	7,500	7,500	7,500	7,500	7,500	10,000	105,000
Property Insurance	-	-	-	12,111	-	-	-	12,111	-	-	-	-	12,111	36,333
Inventory Vendor Payments - Post Petition Purchases	-	-	-	-	-	-	-	200,000	125,000	250,000	-	250,000	-	825,000
Vendor Credit CoOp	-	-	-	-	(41,011)	-	-	-	(43,800)	-	-	-	(48,085)	(132,896)
503(b)9 Vendor Pmts. (Inventory Rec'd not Invoiced)	-	-	-	293,285	-	-	-	-	-	-	-	-	-	293,285
Total Cash Disbursements	192,941	10,000	466,731	436,813	441,464	54,128	257,395	349,235	760,162	343,261	147,706	286,894	382,106	4,128,833
Operating Cash Increase (Decrease)	(153,696)	219,963	(129,538)	60,579	(632)	248,077	65,604	(29,008)	(566,818)	(139,873)	46,894	(40,820)	35,968	(383,301)
Professional Expenses	41,030	-	-	-	45,000	-	-	-	45,000	-	-	-	45,000	176,030
Total Period Cash Increase (Decrease)	(194,726)	219,963	(129,538)	60,579	(45,632)	248,077	65,604	(29,008)	(611,818)	(139,873)	46,894	(40,820)	(9,032)	(559,331)
Ending Cash	\$ 447,934	\$ 667,897	\$ 538,359	\$ 598,939	\$ 553,306	\$ 801,383	\$ 866,987	\$ 837,979	\$ 226,161	\$ 86,288	\$ 133,182	\$ 92,362	\$ 83,330	\$ 83,330